

Adopted

Rejected

## MINORITY COMMITTEE REPORT

### MR. SPEAKER:

*A minority of your Committee on Ways and Means, which met on January 24, 2007, to consider House Bill 1027, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 economic matters.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 6-4.1-3-10 IS AMENDED TO READ AS
- 7 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. **(a) With respect**
- 8 **to a decedent whose death occurs before July 1, 2007**, the first one
- 9 hundred thousand dollars (\$100,000) of **the decedent's** property
- 10 interests transferred to a Class A transferee under a taxable transfer or
- 11 transfers is exempt from the inheritance tax.
- 12 **(b) With respect to a decedent whose death occurs after June 30,**
- 13 **2007, but before July 1, 2008, the first two hundred thousand**
- 14 **dollars (\$200,000) of the decedent's property interests transferred**

1 to a Class A transferee under a taxable transfer or transfers is  
2 exempt from the inheritance tax.

3 (c) With respect to a decedent whose death occurs after June 30,  
4 2008, but before July 1, 2009, the first three hundred thousand  
5 dollars (\$300,000) of the decedent's property interests transferred  
6 to a Class A transferee under a taxable transfer or transfers is  
7 exempt from the inheritance tax.

8 (d) With respect to a decedent whose death occurs after June 30,  
9 2009, the entire amount of the decedent's property interests  
10 transferred to a Class A transferee under a taxable transfer or  
11 transfers is exempt from the inheritance tax.

12 SECTION 2. IC 6-4.1-3-11 IS AMENDED TO READ AS  
13 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) With respect  
14 to a decedent whose death occurs before July 1, 2010, the first five  
15 hundred dollars (\$500) of property interests transferred to a Class B  
16 transferee under a taxable transfer or transfers is exempt from the  
17 inheritance tax.

18 (b) With respect to a decedent whose death occurs after June 30,  
19 2010, the entire amount of the decedent's property interests  
20 transferred to a Class B transferee under a taxable transfer or  
21 transfers is exempt from the inheritance tax.

22 SECTION 3. IC 6-4.1-3-12 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12. (a) With respect  
24 to a decedent whose death occurs before July 1, 2011, the first one  
25 hundred dollars (\$100) of property interests transferred to a Class C  
26 transferee under a taxable transfer or transfers is exempt from the  
27 inheritance tax.

28 (b) With respect to a decedent whose death occurs after June 30,  
29 2011, the entire amount of the decedent's property interests  
30 transferred to a Class C transferee under a taxable transfer or  
31 transfers is exempt from the inheritance tax.

32 SECTION 4. IC 6-4.1-5-1 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) For purposes of  
34 this section, the net taxable value of property interests transferred by a  
35 decedent to a particular transferee equals the remainder of:

- 36 (1) the total fair market value of the property interests transferred  
37 by the decedent to the transferee under a taxable transfer or  
38 transfers; minus

(2) the total amount of exemptions and deductions provided under sections 9-1 through 15 of IC 6-4.1-3 IC 6-4.1-3-10 through IC 6-4.1-3-15 with respect to the property interests so transferred.

(b) With respect to a decedent whose death occurs before July 1, 2009, the inheritance tax imposed on the decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$25,000 or less		1% of net taxable value
over \$25,000 but not over \$50,000		\$250, plus 2% of net taxable value over \$25,000
over \$50,000 but not over \$200,000		\$750, plus 3% of net taxable value over \$50,000
over \$200,000 but not over \$300,000		\$5,250, plus 4% of net taxable value over \$200,000
over \$300,000 but not over \$500,000		\$9,250, plus 5% of net taxable value over \$300,000
over \$500,000 but not over \$700,000		\$19,250, plus 6% of net taxable value over \$500,000
over \$700,000 but not over \$1,000,000		\$31,250, plus 7% of net taxable value over \$700,000
over \$1,000,000 but not over \$1,500,000		\$52,250, plus 8% of net taxable value over \$1,000,000
over \$1,500,000		\$92,250, plus 10% of net taxable value over \$1,500,000

(c) With respect to a decedent whose death occurs after June 30, 2009, no inheritance tax is imposed on the decedent's transfer of property interests to a particular Class A transferee.

(d) With respect to a decedent whose death occurs before

**July 1, 2010**, the inheritance tax imposed on ~~a~~ **the** decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$100,000 or less		7% of net taxable value
over \$100,000 but not over \$500,000		\$7,000, plus 10% of net taxable value over \$100,000
over \$500,000 but not over \$1,000,000		\$47,000, plus 12% of net taxable value over \$500,000
over \$1,000,000		\$107,000, plus 15% of net taxable value over \$1,000,000

**(e) With respect to a decedent whose death occurs after June 30, 2010, no inheritance tax is imposed on the decedent's transfer of property interests to a particular Class B transferee.**

~~(d)~~ **(f) With respect to a decedent whose death occurs before July 1, 2011**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class C transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$100,000 or less		10% of net taxable value
over \$100,000 but not over \$1,000,000		\$10,000, plus 15% of net taxable value over \$100,000
over \$1,000,000		\$145,000, plus 20% of net taxable value over \$1,000,000

**(g) With respect to a decedent whose death occurs after June 30, 2011, no inheritance tax is imposed on the decedent's transfer of property interests to a particular Class C transferee.**

SECTION 5. IC 6-4.1-13 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY

- 1, 2007]:
- Chapter 13. Expiration**
- Sec. 1. This article expires July 1, 2011."**
- Page 4, line 42, delete "(h), (i), and (j)." and insert "**and (h).**".
- Page 5, line 30, strike "and".
- Page 5, line 30, delete "(l)," and insert "**(j), and (h),**".
- Page 5, line 34, delete "and before September 1, 2007,".
- Page 5, delete lines 36 through 42, begin a new paragraph and insert:  
**"(h) Except as provided in subsections (c) and (l), every employer**  
**employing at least two (2) employees during a work week shall, in**  
**any work week in which the employer is subject to this chapter,**  
**pay each of the employees in any work week beginning on or after**  
**July 1, 2007, wages equal to the lesser of:**  
**(1) the wage provided in subsection (g); or**  
**(2) the minimum wage provisions of the federal Fair Labor**  
**Standards Act of 1938, as amended (29 U.S.C. 201-209)."**
- Page 6, delete lines 1 through 11.
- Page 6, line 12, delete "(k)" and insert "**(i)**".
- Page 6, line 18, delete "(l)" and insert "**(j)**".
- Page 6, line 20, delete "(h), (i), and (j)," and insert "**and (h),**".
- Page 6, line 23, delete ":".
- Page 6, line 24, delete "(1)".
- Page 6, line 25, delete ";" and insert ".".
- Page 6, run in lines 23 through 25.
- Page 6, delete lines 26 through 31.
- Page 6, line 36, delete "(m)" and insert "**(k)**".
- Page 6, line 42, delete "(n)" and insert "**(l)**".
- Page 7, line 2, delete "(m)" and insert "**(k)**".
- Page 8, line 8, delete "(m)" and insert "**(k)**".
- Page 8, line 24, delete "(m))" and insert "**(k))**".
- Page 8, line 28, delete "(o)" and insert "**(m)**".
- Page 8, line 29, delete "(m)" and insert "**(k)**".
- Page 8, line 30, delete "(m)" and insert "**(k)**".
- Page 9, line 14, delete "(p)" and insert "**(n)**".
- Page 9, line 15, delete "(m)" and insert "**(k)**".
- Page 9, line 17, delete "(m)" and insert "**(k)**".
- Page 9, line 23, reset in roman "(g),".
- Page 9, line 23, delete "(j),".

- 1 Page 9, line 24, delete "(l)" and insert "(j)".
  - 2 Page 9, line 29, delete "(q)" and insert "(o)".
  - 3 Page 9, line 30, delete "(m)" and insert "(k)".
  - 4 Page 10, line 16, delete "(r)" and insert "(p)".
  - 5 Page 10, line 19, delete "(s)" and insert "(q)".
  - 6 Page 10, line 20, delete "(m)" and insert "(k)".
  - 7 Page 10, line 34, delete "(t)" and insert "(r)".
  - 8 Page 10, line 37, delete "(m)" and insert "(k)".
  - 9 Page 11, line 5, delete "(u)" and insert "(s)".
  - 10 Page 11, line 8, delete "(m)" and insert "(k)".
  - 11 Page 11, line 9, delete "(v)" and insert "(t)".
  - 12 Page 11, line 14, delete "(m)" and insert "(k)".
  - 13 Page 11, line 22, delete "(w)" and insert "(u)".
  - 14 Page 11, line 25, delete "(m)" and insert "(k)".
  - 15 Page 11, line 26, delete "(m)" and insert "(k)".
  - 16 Page 11, line 33, delete "(x)" and insert "(v)".
  - 17 Page 11, line 33, delete "(m)" and insert "(k)".
  - 18 Page 11, line 35, delete "(y)" and insert "(w)".
  - 19 Page 11, line 35, delete "(m)" and insert "(k)".
  - 20 Page 12, between lines 12 and 13, begin a new paragraph and insert:
  - 21 "SECTION 6. [EFFECTIVE JULY 1, 2007] **Notwithstanding**
  - 22 **IC 6-4.1-13-1, with respect to a decedent whose death occurs before**
  - 23 **July 1, 2011, the decedent's inheritance tax, estate tax, and**
  - 24 **generation skipping transfer tax shall be computed and**
  - 25 **administered as set forth in IC 6-4.1, as effective before its**
  - 26 **expiration.**".
  - 27 Renumber all SECTIONS consecutively.
- (Reference is to HB 1027 as printed January 24, 2007.)

**and when so amended that said bill do pass.**

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Representative Espich